

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2004

	January-04				December-03				September-03				Current FYTD	Prior Year FY03	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
Los Angeles Capital	94,441	2.4%	2.3%	1.68%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
Total Structured Growth	94,441	2.4%	2.3%	1.68%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	4.99%	16.49%	-1.88%	-21.24%	-6.07%
Russell 1000 Growth				2.04%				10.41%				3.92%	17.08%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>																
LSV	96,211	2.4%	2.3%	2.63%	93,798	2.4%	2.3%	15.66%	81,203	2.2%	2.3%	3.75%	23.15%	-2.25%	8.84%	3.73%
Russell 1000 Value				1.76%				14.19%				2.06%	18.59%	-1.02%	-0.19%	1.05%
<i>S&P 500 Index</i>																
State Street	427,975	10.7%	10.5%	1.84%	420,301	10.7%	10.5%	12.16%	374,694	10.0%	10.5%	2.64%	17.23%	0.23%	-11.28%	-1.69%
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
TOTAL LARGE CAP DOMESTIC EQUITY	618,627	15.5%	15.0%	1.93%	606,962	15.4%	15.0%	12.20%	540,970	14.5%	15.0%	3.15%	17.98%	-0.48%	-9.33%	-1.90%
S&P 500				1.84%				12.18%				2.64%	17.26%	0.25%	-11.20%	-1.62%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	215,399	5.4%	5.0%	4.64%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	31.55%	0.09%	N/A	N/A
Russell 2000 + 200bp				4.51%				15.07%				9.60%	31.81%	0.36%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	215,399	5.4%	5.0%	4.64%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	31.55%	0.09%	-3.49%	1.64%
Russell 2000				4.34%				14.52%				9.07%	30.34%	-1.63%	-3.30%	0.97%
CONVERTIBLES																
TCW	414,197	10.4%	10.0%	2.23%	404,853	10.3%	10.0%	9.98%	368,085	9.8%	10.0%	1.85%	14.51%	10.23%	-9.51%	3.90%
First Boston Convertible Index				2.01%				8.54%				2.67%	13.68%	15.46%	-3.77%	5.29%
INTERNATIONAL EQUITY																
<i>Large Cap - Active</i>																
Capital Guardian	333,056	8.3%	8.0%	1.50%	328,754	8.3%	8.0%	13.03%	293,175	7.8%	8.0%	8.14%	24.07%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>																
Lazard	43,275	1.1%	1.0%	2.80%	42,104	1.1%	1.0%	14.50%	39,792	1.1%	1.0%	9.92%	29.38%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				4.20%				13.31%				15.95%	36.90%	N/A	N/A	N/A
<i>Small Cap - Growth</i>																
Vanguard	47,117	1.2%	1.0%	4.21%	45,179	1.1%	1.0%	14.06%	38,606	1.0%	1.0%	14.95%	36.64%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				4.20%				13.31%				15.95%	36.90%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	423,448	10.6%	10.0%	1.93%	416,037	10.6%	10.0%	13.28%	371,574	9.9%	10.0%	8.97%	25.82%	-9.20%	-15.51%	0.27%
MSCI EAFE - 50% Hedged				1.37%				13.15%				6.58%	22.25%	-11.24%	-15.51%	-5.33%
DOMESTIC FIXED INCOME																
<i>Core Bond</i>																
Western Asset	1,003,166	25.1%	25.0%	0.98%	993,545	25.2%	25.0%	1.62%	973,882	26.0%	25.0%	-0.16%	2.45%	12.77%	11.23%	8.12%
Lehman Aggregate				0.80%				0.32%				-0.14%	0.98%	10.39%	10.07%	7.54%
<i>Index</i>																
Bank of ND	537,161	13.4%	15.0%	0.89%	532,410	13.5%	15.0%	0.07%	532,752	14.2%	15.0%	-0.46%	0.48%	13.26%	10.87%	7.78%
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>																
Strong	415,949	10.4%	10.0%	1.09%	411,262	10.4%	10.0%	1.46%	408,258	10.9%	10.0%	0.02%	2.59%	17.91%	N/A	N/A
Lehman US Credit BAA				1.13%				1.22%				0.27%	2.65%	18.33%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	1,956,276	48.9%	50.0%	0.98%	1,937,217	49.2%	50.0%	1.15%	1,914,892	51.2%	50.0%	-0.21%	1.93%	13.18%	10.80%	7.81%
Lehman Gov/Credit				0.91%				-0.03%				-0.50%	0.38%	13.14%	10.82%	7.83%
CASH EQUIVALENTS																
Bank of ND	370,389	9.3%	10.0%	0.09%	370,039	9.4%	10.0%	0.29%	364,833	9.8%	10.0%	0.30%	0.68%	1.57%	3.26%	4.15%
90 Day T-Bill				0.08%				0.26%				0.25%	0.59%	1.52%	3.33%	4.08%
TOTAL BONDING FUND	3,998,337	100.0%	100.0%	1.46%	3,940,911	100.0%	100.0%	5.40%	3,739,560	100.0%	100.0%	2.01%	9.08%	7.52%	1.61%	4.90%
POLICY TARGET BENCHMARK				1.29%				4.65%				1.59%	7.69%	7.25%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.